

WHATCOM TRANSPORTATION AUTHORITY
Whatcom County, Washington
January 1, 1993 Through December 31, 1993

Schedule Of Findings

1. The Authority Should Improve Its Accounting For Fixed Assets

Our review of the authority's fixed asset system revealed the following weaknesses:

- a. The fixed asset policy has not been updated to reflect the procedures currently in place.
- b. Some nonfederally-funded fixed assets purchased during 1993 were not tagged identifying them as authority property.
- c. In 1993 the authority did not reconcile their physical inventory of fixed assets to accounting records supporting their financial statement presentation.

RCW 43.09.200 requires the State Auditor to prescribe uniform accounting systems. The State Auditor prescribes the *Budgeting, Accounting and Reporting System* (BARS) manual which states in Volume 1, Part 3, Chapter 7:

Accountability for fixed assets is required for all local governments, regardless of size.

The BARS manual further states:

An adequate fixed asset accounting system will enable your government to meet statutory requirements, to produce adequate records and reports, and to safeguard assets properly.

When adequate accounting procedures and controls are not established and followed, the proper safeguarding and reporting of fixed assets cannot be assured.

The weaknesses in the authority's fixed asset system are partially attributable to the turnover and reorganization of personnel and the authority's move to a new location.

We recommend the authority:

- a. Update their fixed asset policy.
- b. Provide a consistent method of identifying assets by tag or serial number.
- c. Reconcile physical inventories of fixed assets to their accounting records.